Amendment No. 2 to SB1142

McNally
Signature of Sponsor

AMEND Senate Bill No. 1142* House Bill No. 926

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 56-6-703, is amended by adding the following as new subdivisions to be appropriately designated.

( ) "Adverse determination" means a decision by a utilization review agent that the health care services furnished or proposed to be furnished to a subscriber are not medically necessary, or are experimental or investigational; and benefit coverage is therefore denied, reduced or terminated.

( ) "Clinical criteria" means the written policies, written screening procedures, decision rules, decision abstracts, clinical protocols, practice guidelines, and medical protocols used by the utilization review agent to determine the necessity and appropriateness of health care services;

( ) "Final adverse determination" means an adverse determination has been upheld by a utilization review agent at the completion of the utilization review agent's appeals process pursuant to title 56, chapter 61, part 1;

( ) "Health care service" means health care procedures, treatments, or services provided by a facility licensed in this state or provided by a doctor of medicine, a doctor of osteopathy, or a health care professional licensed in this state;

( ) "Medically necessary health care services" means health care services that a prudent physician would provide to a patient for the purpose of preventing, diagnosing, or treating an illness, injury, disease, or its symptoms in a manner that is:

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(A) In accordance with generally accepted standards of medical practice; and

(B) Clinically appropriate in terms of type, frequency, extent, site, and duration;

( ) "Preauthorization" means the process by which utilization review agent determines the medical necessity or medial appropriateness of otherwise covered health care services prior to the rendering of such health care services including, but not limited to, preadmission review, pretreatment review, utilization, and case management.

SECTION 2. Tennessee Code Annotated, Section 56-6-705, is amended by deleting subdivision (a)(2) and by substituting instead the following:

(2)

(A) Any restrictions, preauthorizations, adverse determinations, or final adverse determinations that a utilization review agent places on the preauthorization of health care services shall be based on the medical necessity or appropriateness of those services and shall be based on written clinical criteria;

(B) Utilization review agents shall apply written clinical criteria consistently. Written clinical criteria shall:

(i) Be based on nationally recognized standards; provided however, when multiple standard addressing the same treatment protocol

exist, the payer shall have the right to select the standard upon which the written clinical criteria will be based;

(ii) Be developed in accordance with the current standards of national accreditation entities;

(iii) Ensure quality of care and access to needed health care services;

(iv) Be evidence-based; and

(v) Be evaluated and updated at least annually.

(C) A utilization review agent shall make available any current preauthorization requirements and restrictions on its online provider portal. These requirements and restrictions shall include any written clinical criteria that are described in detail with documentation and supporting references that are easily accessible and readily available to contracted providers.

(D) If a utilization review agent intends either to implement a new preauthorization requirements or restriction, or amend an existing requirement or restriction, the utilization review agent shall provide contracted health care providers of written notice or other form of notice under the terms of the contract of the new or amended requirement or amendment no less than sixty (60) days before the requirement or restriction is implemented and shall ensure that the new or amended requirements has been updated on the utilization review agent's web site:

SECTION 3. Tennessee Code Annotated, Section 56-6-705(a)(8), is amended by deleting the existing language and substituting the following:

(8) In the event that nationally recognized standards for a specific treatment protocol do not exist to satisfy the requirements of subdivision (a)(2)(B)(i), a utilization review agent shall ensure that all adverse determinations related to such specific

treatment protocol are made by a physician. The physician shall possess a valid license to practice medicine, and shall be board certified or, board eligible, or trained in the similar specialty as the health care provider who typically manages the medical condition or disease, or provides the health care service.

SECTION 4. Tennessee Code Annotated, Section 56-6-705(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b) With the exception of those standards contained in subdivisions (a)(2), (a)(8), and (a)(10), the commissioner shall exempt from the standards of this section any utilization review agent who has received accreditation by URAC or NCQA. Standards contained in subdivision (a)(2)(C), (a)(2)(D), and (a)(8) shall not apply to any TennCare Dental Benefits Management Program or any state insurance plan set out in title 8, chapter 27.

SECTION 5. This act shall take effect October 1, 2014, the public welfare requiring it.